

Message Text

CONFIDENTIAL

PAGE 01 VIENTI 04530 251105Z

54

ACTION AID-05

INFO OCT-01 EA-06 ISO-00 IGA-01 EB-07 CIAE-00 DODE-00 L-03

SS-15 SP-02 TRSE-00 EUR-12 /052 W

----- 040611

R 250915Z JUN 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 4569

C O N F I D E N T I A L VIENTIANE 4530

E.O. 11652: GDS

TAGS: PFOR, EAID, EFIN, LA, US

SUBJ: FEOF NEGOTIATIONS

REF: A) VIENTIANE 4508; B) STATE 147367

SUMMARY: U.S. REPRESENTATIVE PRESENTED U.S. POSITION AND PROPOSED CHANGES IN FEOF AGREEMENTS TO DONOR ADVISORY BOARD (DAB) MEETING JUNE 25. ALL OTHER DONORS STATED THAT, IN LIGHT OF U.S. POSITION, THEY WOULD HAVE TO CONSULT THEIR CAPITALS; HOWEVER, BOTH FRENCH AND BRITISH SAID THEIR LOCAL EMBASSIES WOULD RECOMMEND THAT GOF AND UK SIGN 1975 AGREEMENTS ANYWAY AND JAPANESE REP SAID HIS PERSONAL RECOMMANDATION WOULD BE SIMILAR. DAB ASKED IMF RES REP TO WORK UP FIGURES SHOWING CONSEQUENCES OF REDUCED U.S. CONTRIBUTION. RES REP AGREED TO DO SO BUT NOTED THAT PGNU ECONOMIC POLICY DECISIONS IN LIGHT OF U.S. POSITION WOULD ALSO HAVE TO BE TAKEN INTO ACCOUNT. IMF RES REP ALSO REXPRESSED CONCERN OVER PROSPECTS FOR SHORT-TERM FEOF OPERATIONS. DAB WILL MEET AGAIN JUNE 30. END SUMMARY.

1. U.S. REP WAS ABLE TO CONTACT IMF RES REP EVENING JUNE 24 AND THUS ALL DAB MEMBERS EXCEPT BRITISH AND LAO REPS HAD ADVNACE WARNING OF POSITION U.S. WOULD PRESENT AT JUNE 25 DAB MEETING.

2. JAPANESE COUNSELOR NISHIYAMA, CHAIRMAN FOR MONTH OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENTI 04530 251105Z

JUNE, OPENED JUNE 25 MEETING BY STATING THAT COMPLICA-

TIONS APPEARED TO HAVE ARISEN WHICH MIGHT FORCE POSTPONEMENT OF SIGNING OF 1975 FEOF AGREEMENTS PREVIOUSLY SCHEDULED FOR JUNE 27. HE CITED FIRST THE REPORT, CONFIRMED BY AUSTRALIAN REP, THAT AUSTRALIAN EMBASSY WOULD NOT RECEIVE AUTHORITY TO SIGN BY JUNE 27. HE ALSO NOTED THAT PGNU FOREIGN MINISTER PHOUMI VONGVICHIT APPARENTLY MIGHT NOT RETURN TO VIENTIANE BY THAT DATE. LAO REP BOUNSOUANE SAID THIS WAS NOT PROBLEM; DOCUMENTS WERE ALREADY BEING PREPARED FOR SIGNATURE BY MINISTER OF INFORMATION SOUK VONGSAK, WHO IS ACTING FOREIGN MINISTER.

3. CHAIRMAN THEN STATED THAT HE UNDERSTOOD U.S. REP HAD RECEIVED INSTRUCTIONS WHICH MIGHT IN ANY CASE REQUIRE POSTPONEMENT OF SIGNING. U.S. REP, DRAWING ON REF B, THEN PRESENTED U.S. POSITION AND DISTRIBUTED REVISED DRAFT OF U.S. CONFIDENTIAL DRAFT LETTER TO PGNU AND NECESSARY CHANGE SHEETS FOR U.S. OPEN LETTER AND GENERAL MEMORANDUM OF UNDERSTANDING; IN ACCORDANCE WITH REF B.

4. CHAIRMAN THEN TOOK INITIATIVE TO STATE THAT U.S. POSITION WOULD REQUIRE REVIEW BY GOJ OF ITS POSITION. HE ADDED THAT HE PERSONALLY INTENDED TO RECOMMEND TO TOKYO THAT GOJ CONTINUE ITS PARTICIPATION AND MAINTAIN CONTRIBUTION AT LEVEL PREVIOUSLY INDICATED, I.E., U.S. \$3.6 MILLION.

5. FRENCH REP SAID U.S. HAD OBVIOUSLY PROPOSED "IMPORTANT MODIFICATIONS". HE HAD ALREADY RECEIVED INSTRUCTIONS TO SIGN ON BASIS OF TEXTS PREVIOUSLY AGREED AND WOULD NOW HAVE TO SEEK NEW AUTHORITY. HE COULD NOT ANTICIPATE GOF REACTION BUT SAID THAT POSITION OF FRENCH EMBASSY VIENTIANE REMAINED UNCHANGED; I.E., CONTINUE PARTICIPATION AND MAINTAIN LEVEL OF CONTRIBUTION PREVIOUSLY ANNOUNCED (U.S. \$2.3 MILLION). FRENCH REP ALSO REPEATED OBSERVATION MADE PRIVATELY JUNE 24 (REF A) THAT U.S. WAS LEAVING NO OPENING FOR POSSIBLE FUTURE CONTRIBUTION DURING CY 1975. U.S. REP REPLIED THAT ANY DISCUSSION OF POSSIBLE FURTHER USG SUBSCRIPTION WOULD HAVE TO AWAIT OVERALL NEGOTIATIONS ON NEW BASIS FOR U.S. ECONOMIC ASSISTANCE REQUESTED LAST MONTH BY PGNU.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENTI 04530 251105Z

6. LAO REP THEN ASKED FOR BRITISH AND AUSTRALIAN POSITIONS. BRITISH ALTERNATE REP SAID UK POSITION WAS SAME AS FRENCH, I.E., NEW INSTRUCTIONS REQUIRED BUT NO CHANGE ANTICIPATED. AUSTRALIAN REP SAID CABINET'S RECOMMENDATION TO EXECUTIVE COUNCIL HAD BEEN THAT GOA SIGN ON BASIS OF TEXTS PREVIOUSLY AGREED; NOW MFA WOULD HAVE TO SEEK CABINET RECONSIDERATION AND THEN REVISE CABINET'S PRESENTATION TO EXECUTIVE COUNCIL.

7. LAO REP'S ONLY REACTION WAS TO ASK U.S. REP FOR CONFIRMATION THAT U.S. WOULD BE PREPARED TO CONSIDER SIGNING ONLY ON BASIS OF THE U.S. \$5 MILLION FIGURE. U.S. REP CONFIRMED THAT HIS INSTRUCTIONS REFERRED TO WILLINGNESS CONSIDER SIGNATURE ONLY ON BASIS OF U.S. \$5 MILLION FIGURE AND OTHER TEXTUAL CHANGES JUST PRESENTED.

8. FRENCH REP THEN PROPOSED THAT PGNU MINISTRY OF FINANCE AND IMF RES REP DO A STUDY OF CONSEQUENCES FOR PGNU OF U.S. \$11.1 MILLION REDUCTION IN 1975 FEOF FUNDS. IMF RES REP REPLIED THAT HE COULD OF COURSE DO A TABULATION ON THAT BASIS AND PRESENT CONSEQUENCES OF NEW FIGURES, BUT HE ADDED THAT ANY STUDY OF HOW FEOF COULD OPERATE WITH REDUCED FUNDING WOULD REQUIRE ALSO DISCUSSION OF PGNU ECONOMIC POLICY MEASURES WHICH HE OBVIOUSLY COULD NOT UNDERTAKE. HE ALSO RAISED QUESTION OF HOW FEOF COULD OPERATE OVER NEXT FEW WEEKS (UNTIL SIGNATURE) WITHOUT FURTHER DONOR CONTRIBUTIONS.

9. IT WAS AGREED TO HOLD NEXT DAB MEETING JUNE 30 AT WHICH TIME IMF RES REP WILL PRESENT NEW FIGURES AND PRELIMINARY ESTIMATE OF CONSEQUENCES FOR LAO ECONOMY. AN ADDITIONAL MEETING WAS TENTATIVELY SCHEDULED FOR JULY 2 ON ASSUMPTION THAT FEW DAB REPS WOULD HAVE RECEIVED INSTRUCTIONS BY JUNE 30. (CHAIRMANSHIP WILL PASS TO LAO REP IN JULY.)

10. ONLY OTHER AGENDA ITEM CONCERNED NON-CONTROVERSIAL DETAILS OF FEOF MANAGER'S CONTRACT AS REVISED (VIENTIANE 4418, PARA 3).

11. SINCE NEW INSTRUCTIONS FROM OTHER DONORS MAY RESULT IN FURTHER CHANGES TO DRAFT TEXTS NOW ON TABLE, WE DO CONFIDENTIAL

CONFIDENTIAL

PAGE 04 VIENTI 04530 251105Z

NOT INTEND -- UNLESS OTHERWISE INSTRUCTED -- TO SUBMIT TO WASHINGTON FULL DRAFT TEXTS AS THEY NOW STAND BUT WILL BE PREPARED TO DO SO ONCE ANY FURTHER CHANGES HAVE BEEN PROPOSED AND DISCUSSED.

12. WE REVIVE SUGGESTION CONTAINED VIENTIANE 4091 THAT DEPARTMENT DISCUSS SUBJECT WITH OTHER DONORS, EITHER IN WASHINGTON OR IN THEIR CAPITALS. IN LATTER CASE, WE ASSUME DEPARTMENT WILL REPEAT CABLE TRAFFIC TO DONOR CAPITALS AS NECESSARY.
CHAPMAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TREATY SIGNATURE, FOREIGN ASSISTANCE AGREEMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975VIENTI04530
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750220-0439
From: VIENTIANE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750615/aaaaantr.tel
Line Count: 165
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 VIENTIANE 4508, 75 STATE 147367
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by KelleyW0>; APPROVED <17 JUL 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FEOF NEGOTIATIONS
TAGS: PFOR, EAID, EFIN, LA, US, FEOF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006